

Message Text

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INFO OCT-01 ISO-00 /001 R

DRAFTED BY 7/30/75

APPROVED BY S/S:LCJOHNSTONE

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P 310038Z JUL 75 ZFF4

FM SECSTATE WASHDC

TO USDEL SECRETARY PRIORITY

S E C R E T STATE 180496 TOSEC 080198

NODIS

E.O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY A.)

SUBJECT: DAILY ACTIVITIES REPORT FROM THE PRINCIPALS,
WEDNESDAY, JULY 30, 1975

FOR THE SECRETARY FROM ROBERT S. INGERSOLL

AFTER THE SMALL GROUP MEETING, I MADE PHONE CALLS TO
DOD/ISA AND THE JOINT CHIEFS TO MAKE SURE THEY ARE MOVING
ALONG ON THE REVISED PANAMA PACKAGE. THEY HAVE BEEN
HAVING INTERNAL BUREAUCRATIC DIFFICULTIES WHICH I WAS
ANXIOUS TO CUT THROUGH IN ORDER TO MEET THE PRESIDENT'S
TIMETABLE.

I CHAIRED A MEETING OF THE BOARD OF THE FOREIGN SERVICE
AT WHICH WE DISCUSSED THE POINTS CONTAINED IN YOUR
SPEECH TO THE INCOMING JUNIOR OFFICERS. AS ALWAYS, THE
DEPARTMENTS OF COMMERCE AND LABOR EXPRESSED RESERVATIONS
ABOUT ANY MOVE TO ALTER THE CONE SYSTEM, THOUGH I BELIEVE
CAROL LAISE'S REPEATED EXPLANATIONS MADE SOME HEADWAY IN
CONVINCING THEM THAT THE REFORMS YOU OUTLINED WILL IMPROVE
THE SYSTEM EVEN FROM THEIR POINT OF VIEW.

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OVER LUNCHEON, STU SYMINGTON REITERATED HIS STRONGLY HELD VIEWS ON THE DANGERS OF NUCLEAR PROLIFERATION. HE BELIEVES THE SITUATION IS GETTING OUT OF CONTROL, BUT HIS ONLY SUGGESTIONS FOR REMEDIAL ACTION ARE TO STRENGTHEN THE IAEA AS AN INSTITUTION AND FILL AS QUICKLY AS POSSIBLE OUR OWN VACANCY IN VIENNA.

HOFFMAN AND FISH FROM DEFENSE JOINED MAW, EAGLEBURGER, LEIGH, VEST, ATHERTON AND ME TO DISCUSS THEIR APPREHENSIONS ABOUT THE FMS PROGRAM IN IRAN. WE WILL BE SENDING YOU INFORMATION ON THIS PROBLEM WITH OUR RECOMMENDATIONS.

A GROUP OF STEEL INDUSTRY EXECUTIVES MET WITH ME AND ROBINSON TO EMPHASIZE THAT THEY ARE LOOKING FOR FASTER ACTION ON ALLEGED JAPANESE DUMPING OF SPECIALTY STEELS THAN THAT LIKELY TO BE FORTHCOMING FROM THE ACTION THEY FILED UNDER THE ESCAPE CLAUSE PROVISIONS OF THE NEW TRADE ACT. WE WERE SYMPATHETIC AND TOLD THEM WE WOULD LOOK INTO THE POSSIBILITIES. I ALSO TOOK THE OPPORTUNITY TO EMPHASIZE THE POLITICAL CONTEXT (UNGA SS, DIALOGUE WITH LDC'S) WITHIN WHICH WE WILL BE MAKING A DECISION ON U.S. ADHERENCE TO THE NEW TIN AGREEMENT, AND ASKED THAT THEY NOT LOCK THE INDUSTRY INTO A PREMATURELY NEGATIVE PUBLIC POSITION.

ALSO DURING THE DAY: CALL BY THE NEW SOUTH AFRICAN AMBASSADOR (CREDENTIALS).

TOMORROW: I WILL APPEAR BEFORE THE FASCELL SUBCOMMITTEE TO DISCUSS THE MAYAGUEZ INCIDENT; BRIEF SENATORS RIBICOFF AND GLENN ET AL ON RECENT DEVELOPMENTS WITH THE NUCLEAR SUPPLIERS; AND HAVE LUNCH WITH THE SENEGAL AMBASSADOR.

FOR SECRETARY FROM ROBINSON (7/30/75)

1. AT THE EPB MEETING I HELD OFF TREASURY'S EFFORT TO FORECLOSE ON THE OPTION OF US CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT. LYNN IS STILL WORRIED ABOUT THE BUDGETARY IMPACT. BILL SEIDMAN IS SUGGESTING A GO ROUND WITH THE

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PRESIDENT ON UNGA AND GRAIN RESERVE ISSUES AUGUST 8, 9 OR 10 PRIOR TO THE PRESIDENT'S DEPARTURE ON VACATION. LYNN AND I THOUGHT IT MIGHT BE PREMATURE BUT BILL SEIDMAN THINGS AUGUST 26 IS TOO LATE AND HESITATES TO ASK FOR A MEETING WHILE THE PRESIDENT IS AWAY. DUNLOP INDICATED HIS BELIEF THAT THE STATE-LABOR-COMMERCE TASK FORCE SHOULD REACH A JOINT CONCLUSION ON THE ILO PROBLEM.

2. I TESTIFIED BEFORE THE SFRC IN SUPPORT OF THE OECD FINANCIAL SUPPORT FUND WITH BILL SIMON. THE QUESTIONS WERE MOSTLY BROAD-SCALE ONES ABOUT THE ENERGY SITUATION. THE COMMITTEE DID NOT FOCUS MUCH ON THE SPECIFICS OF THE FSF BUT THE ATMOSPHERE SEEMED GENERALLY SUPPORTIVE.

3. I DISCUSSED WITH WIN LORD AND HIS STAFF THE NEED FOR IDENTIFYING NEW INITIATIVES WHICH THE US MIGHT TAKE IN DEVELOPING ITS RELATIONS WITH THE LDCS. WIN WILL BE WORKING ON THIS AND HE AND I WILL HAVE A PAPER FOR YOU ON THIS SUBJECT IN EARLY AUGUST.

4. I HAD LUNCH WITH BILL ROGERS AND AL FISHLOW TO DISCUSS FOLLOW-UP ON OUR ECONOMIC CONSULTATIONS WITH VENEZUELA AND BRAZIL.

5. I ATTENDED THE EPB/CIEP EXECUTIVE COMMITTEE MEETING WHICH PROVED TO BE AN ABBREVIATED VERSION OF LAST SATURDAY'S ALL DAY SESSION BUT WITH DISCUSSION LARGELY CONCENTRATED ON DOMESTIC ISSUES.

6. HENRY BRANDON OF THE LONDON SUNDAY TIMES CAME IN FOR A BACKGROUNDER ON THE CHANGE IN USG POLICY TOWARDS LDCS.

7. BOB INGERSOLL, JULES KATZ AND I MET WITH REPRESENTATIVES OF THE U.S. STEEL INDUSTRY TO RECEIVE THEIR REPORT ON GROWING JAPANESE STEEL IMPORTS WITH THIS COUNTRY WHICH ARE CAUSING SERIOUS CONCERN PARTICULARLY WITH REGARD TO STAINLESS AND TOOL STEEL. WE AGREED TO GIVE THIS MATTER SERIOUS CONSIDERATION TO DETERMINE WHAT ACTION IF ANY MIGHT BE APPROPRIATE.

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FROM T - MR. MAW

AFTER BOB INGERSOLL'S STAFF MEETING, I MET WITH BILL ROBINSON, DIRECTOR OF THE MUNITIONS CONTROL OFFICE, AND OTHERS TO DISCUSS CHANGES IN THE REGULATIONS GOVERNING INTERNATIONAL TRANSFERS OF ARMS. WE DISCUSSED DEVELOPMENT OF NEW REGULATIONS FOR COMMERCIAL SALES WHICH WOULD REQUIRE DISCLOSURE AND APPROVAL OF CONTINGENT AGENCY FEES IN MATERIAL AMOUNTS.

I WAS ADVISED BY TOM CLINGAN (OES) THAT THE INTERNATIONAL LONGSHOREMEN'S UNION HAS THREATENED TO BOYCOTT ALL COMMERCIAL AND TOURIST SHIPS FROM THE BAHAMAS UNLESS THE BAHAMIAN GOVERNMENT SETS A FIRM DATE FOR THE COMMENCEMENT OF NEGOTIATIONS WITH AMERICAN FISHERMEN. UNDER A

RECENT DECREE BY THE BAHAMIAN GOVERNMENT, AMERICAN FISHERMEN (PRINCIPALLY IN FLORIDA) WILL BE PROHIBITED FROM FISHING FOR LOBSTER ON THE BAHAMIAN CONTINENTAL SHELF AFTER AUGUST 1. WE ARE SEEKING A MORATORIUM ON ENFORCEMENT OF THE DECREE UNTIL AN AGREEMENT CAN BE WORKED OUT PERMITTING AMERICAN FISHERMEN TO CONTINUE TO FISH IN BAHAMIAN WATERS, PERHAPS UPON THE PAYMENT OF A LICENSE FEE.

I MET WITH FORMER SECRETARY BILL ROGERS WHOSE LEGAL FIRM IS NOW REPRESENTING LOCKHEED CORPORATION. AMBASSADOR AKINS AND MONROE LEIGH WERE ALSO PRESENT. ROGERS WANTED TO TALK ABOUT DOCUMENTS WHICH LOCKHEED IS BEING ASKED TO FURNISH TO THE CHURCH SUBCOMMITTEE ON MULTINATIONAL CORPORATIONS ON AGENCY FEES FOR HEARINGS SCHEDULED IN SEPTEMBER. HE WAS PARTICULARLY CONCERNED OVER DOCUMENTS WHICH INDICATE SUBSTANTIAL AGENCY FEES PAID TO LOCKHEED AGENT, ADNAN KHASHOGGI, WHICH HAD BEEN "ASSIGNED" TO PRINCE FAHD AND FORMER SAUDI AIR FORCE COMMANDER HASHIM. THESE PAYMENTS RELATED TO THE COMMERCIAL SALE OF C-130 AIRCRAFT, INCLUDING MAINTENANCE AND SUPPORT, AND NEW WIDE BODIED L-1011 FOR SAUDI AIRLINES. HE SAID LOCKHEED HAD ALREADY ALERTED MINISTER OF DEFENSE PRINCE SULTAN AND ROGERS WAS CONCERNED THAT THE REVELATIONS COULD SERIOUSLY HURT LOCKHEED'S NOW-IMPROVING FINANCIAL CONDITION AND EMBARRASS OUR RELATIONS WITH THE SAUDI LEADER-
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SHIP. HE AGREED TO KEEP IN TOUCH WITH US AND GIVE US INFORMATION ON: (A) ALL PAYMENTS THAT LOCKHEED HAS MADE TO THE SAUDIS; (B) EXACTLY WHAT LOCKHEED RECENTLY TOLD PRINCE SULTAN; AND (C) COPIES OF ANY DOCUMENTS THAT THE COMPANY HAS OR WILL SUBMIT TO THE CHURCH SUBCOMMITTEE.

ATTENDED BOB INGERSOLL'S MEETING REGARDING MILITARY SALES IN IRAN. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOSEC, REPORTS, POLITICAL SUMMARIES, CAT-A
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE180496
Document Source: CORE
Document Unique ID: 00
Drafter: 30/75
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: P850033-1883, N750003-0066
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975073/aaaaacpr.tel
Line Count: 209
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NODS
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: NODIS
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: NODIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2003 by Izenbel0>; APPROVED <13 NOV 2003 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DAILY ACTIVITIES REPORT FROM THE PRINCIPALS, WEDNESDAY, JULY 30, 1975
TAGS: OVIP, OGEN, (KISSINGER, HENRY A)
To: SECRETARY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006